

CVPS filed the additional information on August 5 and 13, 2008.

I have reviewed the Petition, the supporting testimony, and accompanying documents. I conclude that approval of CVPS's Petition pursuant to 30 V.S.A. § 108(a) is appropriate and that such approval may occur without hearing. Based upon the evidence of record and the testimony and exhibits presented in this docket, and the DPS letters of July 8, 2008, I hereby report the following findings and conclusion to the Board in accordance with 30 V.S.A. § 8.

II. FINDINGS

1. CVPS is a company as defined by 30 V.S.A. §201(a), and is subject to the jurisdiction of the Board pursuant to 30 V.S.A. §203. Petition at 1.

2. CVPS requests that the Board approve the issuance and sale of \$25 million of Common Stock, not to exceed 1,470,000 shares (presuming an issue price of no less than \$17.00 per share). Petition at 1.

3. The Company proposes to use the \$25 million in new equity capital to fund planned capital expenditures, a \$3 million redemption of debt due December 2008, and a \$1 million redemption of Preferred Stock due January 1, 2009. CVPS does not anticipate that it will have sufficient cash reserves available to meet these spending requirements in 2008. Keefe pf. at 4.

4. The Company also seeks to maintain its capital structure at 55% equity and 45% debt over the next several years. On May 15, 2008, the Board approved in Docket 7421 a debt issuance of First Mortgage Bonds in the amount of \$60 million to refinance a \$53 million bridge loan maturing on June 30, 2008, which was originally undertaken to fund an investment in Vermont Transco LLC in December 2007. This new debt issuance reduces CVPS's equity to capital ratio from 61% to 52%. The proposed issuance of Common Stock in the amount of \$25 million will increase this ratio to 55%. Keefe pf. at 3, 4; exh. CVPS PJK-1.

5. CVPS has 19,000,000 shares authorized with 10,332,183 shares outstanding as of May 1, 2008. The Company projects that it will need outside capital funding over the next several years and plans to issue a combination of both debt and equity to meet its capital needs during that time period. Keefe pf. at 4, 5.

6. The stock issuance is consistent with the public good of the State and the Vermont Electric Plan since it provides for the capital needs of the Company and supports the Company's

credit metrics, thus enhancing CVPS's ability to serve its customers and remain financially stable. Keefe pf. at 6.

7. CVPS's Board of Directors has approved the issuance of Common Stock as proposed in the Petition. Keefe pf. at 6.

III. DISCUSSION & CONCLUSION

Based upon the foregoing and the evidence in the record, I find that the issuance of up to \$25 million in Common Stock as described in the Petition above will be consistent with the general good of the State. I therefore recommend that the Board approve the Petition and authorize the issue and sale of up to \$25 million of Common Stock, not to exceed 1,470,000 shares, without hearing.

The parties have waived their rights to file exceptions and present arguments under 3 V.S.A. § 811. Therefore, the proposal for decision has not been served on the parties.

Dated at Montpelier, Vermont this 19th day of August, 2008.

s/Jay E. Dudley
Jay E. Dudley
Hearing Officer

IV. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The findings, conclusion and recommendation of the Hearing Officer are accepted and adopted.
2. The request for approval of the issuance and sale of up to \$25 million of Common Stock as set forth in Central Vermont Public Service Corporation's ("CVPS" or the "Company") Petition in this docket and as described in the Findings are consistent with the general good of the State of Vermont.
3. Pursuant to 30 V.S.A. § 108(a), consent is hereby given to CVPS to issue up to \$25 million of Common Stock, not to exceed 1,470,000 shares, as described in the Findings above.
4. This Order does not constitute approval of CVPS's capital structure or of any particular capital or operating expenditure that may be implemented with the proceeds from the issuance of Common Stock contemplated in the Petition in this docket. Nothing in this approval shall preclude the Vermont Department of Public Service or any other party, or the Vermont Public Service Board, from reviewing or challenging such expenditures or CVPS's resulting capital structure.
5. CVPS shall inform the Vermont Public Service Board and the Vermont Department of Public Service of any material change in the terms and conditions of the proposed stock issuance.
6. Upon request, CVPS shall provide the Vermont Public Service Board and the Vermont Department of Public Service with a complete set of final executed documents.

Dated at Montpelier, Vermont, this 20th day of August, 2008.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

FILED: August 20, 2008

ATTEST: s/Susan M. Hudson
Clerk of the Board

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@psb.state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.